

1	BEFORE THE FEDERAL ELECTION COMMISSION			
2	In the M	In the Matter of )		
4 5 6	Michael	•	MUR 5453	
7 8		GENERAL COUNSEL'S REPORT #6		
9 10	I. <u>A</u>	ACTIONS RECOMMENDED		
11 12	A	Accept the attached conciliation agreement from Michael W	atts and close the file	
13	as to this Respondent.			
14	II. <u>F</u>	BACKGROUND		
15 16	C	On September 24, 2004, following receipt of a sua sponte s	ubmission from Michael	
17	Watts, the Commission found, inter alia, reason to believe that Michael Watts			
18	("Respondent") knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f. Mr.			
19	Watts was Senior Vice-President of Arthur A. Watson & Company, Inc. ("the Company").			
20	In April of 2000, Mr. Watts approached a higher-ranking officer and three of his fellow			
21	employees about making contributions to the Giordano for U.S. Senate Committee ("the			
22	Committee"), Philip Giordano's authorized committee for his 2000 Senatorial race in			
23	Connecticut. At Mr. Watts' suggestion and with Mr. Watts' consent and assistance, from			
24	on or about April 18, 2000 through on or about April 28, 2000, the Company used			
25	corporate treasury funds to reimburse contributions made to the Committee by Mr. Watts			

<sup>&</sup>lt;sup>1</sup> All of the facts in this matter occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L 107-155, 116 Stat 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Act herein are as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA.

<sup>&</sup>lt;sup>2</sup> Arthur A Watson & Company, Inc is a corporation organized under the laws of Connecticut. At some point after the events in this matter occurred, Arthur A. Watson & Company, Inc. was purchased by BankNorth, and is now wholly owned by BankNorth.





General Counsel's Report #5 l and his wife, and three other employees and their spouses, in the total amount of \$8,000. The Company disguised the reimbursements as commissions or salaries for the employees. Mr. Watts, as Senior Vice-President of Arthur A. Watson & Company, Inc., knowingly and willfully consented to the prohibited corporate contributions by discussing the reimbursement scheme with a higher-ranking officer, and assisted Arthur A. Watson & Company, Inc. in carrying out the scheme by collecting the funds for reimbursement. Mr. Watts also knowingly and willfully accepted reimbursement of his \$2,000 contribution to the Committee from Arthur A. Watson & Company, Inc. with corporate funds. 

## III. DISCUSSION

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PAGES 3-5 HAVE BEEN REMOVED

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Accordingly, this Office recommends that the Commission accept the attached

2 signed conciliation agreement, and close the file as to Michael Watts.

## IV. <u>RECOMMENDATIONS</u>

- 1. Accept the attached signed conciliation agreement submitted by Michael Watts.
  - 2. Approve the appropriate letters.
  - 3. Close the file as to Michael Watts.

Lawrence H. Norton General Counsel

Rhonda J. Vosdingh

1/14/05 Date

BY:

Associate General Counsel for Enforcement

Sidney Rock

**Assistant General Counsel** 

Alexandra Doumas

Attorney

Attachment:

Signed conciliation agreement and copy of civil penalty check